

**MASSACHUSETTS SIP
STEERING COMMITTEE
Meeting Summary
May 4, 2006**

In Attendance:

Anne Arnold, EPA Region 1
Howard Bernstein, Department of Energy Resources
Richard Burkhart, EPA Region 1
Keith Beasley, Massport
Ledge Chamberlain, Northeast Utilities
Jim Cope, Executive Office of Transportation
Lenny Dupuis, Dominion
Paula Hamel, Dominion
John LeFebvre, Polaroid
John Lienhard, MIT
John Quinn, Mass Petroleum Council
Rich Rothstein, KM CHNG Environmental
Bob Rio, AIM
W.R. Chuck Lewis, Lewis Technologies
Stephanie Hamilton, Conservation Services Group
Wig Zamore, STEP, MVTF

MassDEP Staff:

Eileen Hiney
Nicholas Bianco
Ken Santlal
Richard Fields
Steve Dennis

[Please note that all materials that were distributed or presented at the May 4, 2006 meeting can be viewed at <http://www.mass.gov/dep/public/committee/daqcpu11.htm>]

8-Hour Ozone Standard SIP Planning Update

Eileen Hiney reported that regional planning for 8-hour ozone attainment in the Ozone Transport Commission states is continuing through a number of OTC committees.

• **Modeling**

The Modeling Committee is developing a modeling analysis that each State will be able to use in its 8-hour ozone standard attainment SIP to demonstrate how it will attain the standard by the 2010 attainment year. Steve Dennis provided an overview of the status of the joint OTC and MANE-VU air quality modeling related to 8-hour ozone, PM_{2.5} and regional haze. Modeling of 2009 emissions projections with On-the-Books/On-the-Way control measures using Version 2 of the 2002 MANE-VU modeling emissions inventory has been completed. It suggests that On-the-Books/On-the-Way controls, including EPA's Clean Air Interstate Rule (CAIR), will reduce ozone levels, but not enough for the entire ozone transport region to attain the 8-hour ozone standard.

If modeling results demonstrate that an a non-attainment area will have 8-hour ozone concentrations between 82 and 87 parts per billion (ppb), then the State's attainment SIP will need a strong "Weight of

Evidence” discussion supplementing the modeling results to make the case that ozone concentrations will be below the 85 ppb standard by 2009. Substantial portions of the monitors in the OTR inner corridor region are between 82 and 87 ppb. The early modeling results show the highest modeled concentration for Massachusetts is 84.9 ppb at the Lynn monitor, placing it within this Weight of Evidence range.

Version 3 of the emissions inventory was recently completed and the committee is now working on revising the 2002 base case run and 2009 projections with On-the-Books/On-the-Way control measures using the revised inventory.

- **Control Strategies**

Eileen reported that the OTC Control Strategies Committee has been reviewing various measures to assess what reductions from what source sectors would bring the OTC states into ozone attainment. (A list of the measures being considered in area, point and mobile sources categories was distributed at the January SIP Steering Committee meeting.)

Since January, with the help of a consultant, the committee has reviewed state emissions inventories for categories under consideration, the technical and economic feasibility of additional control for these categories, and the reductions that might be achieved from new controls.

The OTC had a stakeholder meeting January 24-25 in Baltimore to review the source categories and control measures under consideration with stakeholders, and for the states to discuss among themselves the potential for moving ahead with the measures. At an OTC Commissioners meeting in February, the Commissioners agreed to a number of action items. (Copies of the OTC list of action items were distributed).

Another stakeholder meeting was held April 5-6 to discuss the follow-up to the action items adopted in February and the more detailed control strategies under consideration at that point. Summaries of the control measures under discussion for each of the source categories being considered are available on the OTC website. (www.otcair.org) (Copies of a summary of stakeholder comments that have been submitted to the OTC were distributed.)

There was discussion about whether additional opportunities exist to reduce mobile source emissions with suggestions that further reductions from rideshare programs and CHIP reflash for heavy duty diesel trucks are possible.

RACT SIP Update

MassDEP must submit a RACT SIP to EPA by September 15, 2006. RACT is defined as the lowest emission level a facility is capable of meeting through the application of control technology, considering both technical and economic feasibility. It is required on existing major stationary sources in non-attainment areas.

Massachusetts was required to adopt RACT under the 1-hour ozone standard. However, additional controls may be necessary for some sectors to meet 8-hour standard requirements. Region 1 EPA has suggested that MA consider tighter controls on Industrial, Commercial and Institutional (ICI) boilers. The OTC is reviewing whether tighter RACT rules for large (>250mmBtu), medium (100-250mmBtu), and small (10-100mmBtu) ICI boilers are feasible within the OTC States. The OTC may recommend to states that they adopt tighter restrictions on this category at its June 6-7 meeting. MassDEP is not considering revising its RACT rules for boilers <100mmBtu but is assessing revised RACT for large boilers.

MassDEP held a stakeholder meeting related to ICI Boilers on April 27, 2006. Facilities were asked to provide information on current control technologies on their large boilers, the technological feasibility of additional controls, estimated costs of additional controls, and their thoughts about using CAIR allowances or Emission Reduction Credits as a compliance option for new NOx RACT requirements.

If MassDEP determines that new RACT measures for any source categories are needed to meet the 8-hour ozone standard RACT requirements, it will not be able to have regulations adopted by the September 15, 2006 RACT SIP deadline. Rather it would have to submit a RACT SIP in which it commits to adopt necessary regulations. EPA requires that all RACT control measures committed to in the RACT SIP be implemented by May 2009.

Clean Air Interstate Rule (CAIR) Update

Nicholas Bianco gave an update on EPA's CAIR. In CAIR, EPA found that 28 states contribute to non-attainment of the 8-hour ozone and/or PM2.5 standards in downwind states. EPA determined the amount of emission reductions that each state must achieve based on "cost effective controls" on electric generating units (EGUs). While CAIR does not require states to achieve these reductions from EGUs, it would be very difficult for a state to achieve the required reductions without restricting EGU emissions.

CAIR established annual SO2 and NOx trading programs and an ozone season NOx trading program. Massachusetts is only subject to the ozone season NOx program requirements based on EPA's determination that it contributes to downwind ozone non-attainment but not to PM2.5 non-attainment. Unless a State wishes to have the CAIR program in its state administered under the Federal Implementation Program (FIP) issued by EPA in March 2006, it must adopt a State CAIR rule and SIP.

Massachusetts' CAIR budget is considerably smaller (7,551 tons of NOx in 2009-2014, 6,293 tons in 2015 and beyond) than its NOx SIP Call budget (12,861 tons). EPA will replace the NOx SIP Call trading program with CAIR in 2009.

If States want their facilities to participate in the CAIR trading program they must adopt EPA's model rule provisions, except for areas where EPA has granted states flexibility to adopt their own State CAIR provisions. These include:

1. Allocation methodology;
2. Whether to include NOx SIP Call sources that do not meet EPA's CAIR applicability criteria;
3. Whether to allow opt-ins of source sectors not within EPA's definition of CAIR sources.

If a state does not include all of its NOx SIP Call sources in CAIR, then it must achieve those emission reductions in another manner. If these sources are included, then the state budget will be increased to accommodate these sources. States must either include all or none of their non-CAIR NOx SIP Call units.

MassDEP will convene a stakeholder meeting in the next 1-2 months to discuss the Massachusetts CAIR rule and SIP.

EPA's CAIR modeling indicates that there will still be non-attainment areas for ozone and PM2.5 in the OTC region after the adoption of CAIR. Therefore states are discussing a "CAIR+" program that would further reduce emissions from this sector.

Next Meeting - July 26, 2006 – 10:00 a.m.